
**Financial Institutions & Insurance
Committee**

HB 1974

Brief Description: Restricting the ability of collection agencies to report public debt to consumer reporting agencies.

Sponsors: Representative Santos.

Brief Summary of Bill

- Requires governmental entities assigning debt to a collection agency to establish in contract that the collection agency may not report the debt to a consumer reporting agency.

Hearing Date: 2/12/09

Staff: Alison Hellberg (786-7152)

Background:

Governmental entities may retain a collection agency to collect public debts owed by a person. No debt may be assigned to a collection agency unless:

- there has been an attempt to advise the debtor of the existence of the debt and that the debt may be assigned to a collection agency; and
- at least 30 days have passed since notice was given.

Summary of Bill:

A governmental may not assign a debt to a collection agency unless it is established in contract that the collection agency may not report the debt to a consumer reporting agency.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.